

GREAT WHALE IRON MINES LIMITED

Informational Release

Historical Note:

In 1957, field engineers of the Little Long Lac Gold Mines Limited organization investigated an area of magnetic disturbance east of the Great Whale River. They found the cause to be a very large deposit of magnetite iron formation and application was made immediately for an exploration licence. On September 1st, 1957 this licence was obtained from the Province of Quebec covering an area of 152.8 square miles including the main discovery orebody, and a new company formed under the laws of that Province, called Great Whale Iron Mines Limited. Belcher Mining Corporation Limited, Malartic Gold Fields Limited and Wright-Hargreaves Mines Limited, member companies of the Little Long Lac Group, agreed to provide substantial financing for the undertaking of exploration and development. The three companies have a participating interest of approximately one-third each and to date have provided a total of \$758,849.45 for exploration, preliminary development, large-scale ore tests and surveys. Up to the present time there has been no public participation in the financing.

Properties – Location:

The Great Whale Company now holds three areas, the first of which was obtained in 1957, and encompasses the main deposit designated as the "A" orebody. The second area acquired April 6th, 1959 has been designated as the "D" orebody. Later in 1959, reconnaissance surveys resulted in the discovery of a third anomaly about 11 miles southeast of the "D" occurrence — now referred to as the "E" deposit. The areas all lie a few miles south of the Great Whale River, 50 miles inland from the deep natural harbour of Manitounik Sound, 12 miles north of the Great Whale settlement and airport on the southeast coast of Hudson Bay. See sketch map. Located at 55 degrees north latitude, the orebodies lie considerably farther south than the large mining centres of Lynn Lake, Uranium City and Yellowknife and only $1\frac{1}{2}$ degrees north of the City of Edmonton, with a population of 300,000. The Great Whale area is admirably suited for the establishment of major mining operations.

Surveys – Exploration and Development:

Commencing with the airborne magnetometer survey in 1957 which resulted in the finding of the large magnetic anomaly now referred to as the "A" orebody, field operations have been expanded and intensified during the succeeding years.

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Ground geophysical and geological mapping surveys were carried out by the Company's technical staff and preliminary surveys were made by Sir Alexander Gibb and Partners, Consulting Engineers, with respect to harbour facilities, construction of a railway line to the coast and hydro-electric power development. During the period under review, 92 diamond drill holes were drilled for a total footage of 56,258 feet. Since the completion of the drilling, tonnage and grade estimates have been prepared.

Laboratory Test Work:

The laboratory test work has, in all cases, been directed to the determination of the amount and quality of magnetite concentrate which could be obtained from the iron formation at different grinding sizes. As a further outcome of the grinding tests, the head samples and the concentrates were combined and subjected to complete chemical analysis.

The main tests were made at the Lakefield Research of Canada Limited laboratories, Lakefield, Ontario, with a number of mill and spectrographic analyses being run at the Department of Mines laboratory, Ottawa.



The orebodies of Great Whale Iron Mines, as shown on this map, are favourably located with respect to development of power and to the construction of transportation facilities.

Tonnage and Grade Estimates:

As it is not feasible to include herewith the comprehensive report on the Great Whale Iron Mines Limited deposits with accompanying tabulations, maps, etc., or the full abstract thereof, prepared by Lloyd M. Scofield, Duluth, Minnesota — the Company's Consulting Mining Geologist — the essential figures only as contained in his letter to the President dated December 10th, 1960, accompanying the abstract of the report are given:

"You will note that, together, the deposits contain an estimated 942 million long tons of crude concentrating ore which can readily be made available to open-pitting by the removal of 361 million tons of waste. Known but unestimated iron



formation will, when developed by drilling, increase these figures notably. The crude will yield 383 million tons of concentrates containing 67.1% iron and 5.5% silica. The concentration ratio from crude ore to concentrate is thus 2.46 to 1. An average grind of 85% minus 200 mesh is required to liberate the concentrates. The power required to reduce the magnetite-bearing portion of the crude from minus 20 mesh to liberation size is 19.5 KWH per long ton. These figures give the Great Whale deposits a favorable position in competition with other orebodies of equivalent availability to market."

The essential figures and summary remarks coming out of the entire investigation by Mr. Scofield as quoted above, require no elaboration on our part.

Transportation:

No unusual transportation problems are anticipated in connection with the development of the Company's properties. Concentrates may be transported over any one, or all three feasible routes now under consideration:

(1) The direct all-water route from Manitounik Sound (about 50 miles northwest of the Company's properties), via Hudson Straits to European, Eastern Seaboard or other world ports. This route would afford safe, inexpensive transportation during the open season of navigation.

(2) The route to the Great Lakes via Moosonee, Ontario. Transportation over this route by barge to Moosonee and Ontario Government Railway to a port on Georgian Bay would permit delivery of concentrates to the huge Lower Lake Erie market.

(3) An all-rail route to the St. Lawrence River. This would involve an extension of the Canadian National Railway from Chibougamau to Great Whale River. This route would provide uninterrupted year-round transportation.

Conclusion:

Field crews were sent to Great Whale in late January, 1961, in connection with essential technical and economic surveys and to prepare for this season's operations. These surveys, and work to be carried out this summer, together with the report of Lloyd M. Scofield now in hand, will permit the carrying out of negotiations for major production financing and planning with steel interests who have evidenced a willingness to negotiate when all technical data covering ore tests, vital surveys, etc., can be made available.

April 10, 1961.